

December 3, 2001

TRADE AND THE AMERICAN WORKER

“Trade Promotion Authority is an important tool to help strengthen the U.S. economy and create American jobs. It provides U.S. trade negotiators with needed credibility and authority to open markets that benefit America’s workers and farmers.”

–former U.S. Trade Representatives Strauss, Brock, Yeutter and Hills

- Trade Promotion Authority will lead to expanded opportunities for world trade, and expanded trade opportunities mean expanded employment opportunities. Freer trade allows workers to exploit their comparative advantage and improve their earnings.
- Opening the world’s markets to trade has helped to infuse the American workforce with new energy, creativity, competitiveness. Twelve million American jobs – nearly 10 percent of the total – have jobs that are linked to the export of U.S. goods and services.
 - Jobs supported by exports are estimated to pay 13-18 percent more than non-export jobs.
 - The value of trade (goods, services, and investment earnings) now represents more than one third of our economy, up from 13 percent in 1970.
- The two major trade agreements of the 1990s – the North American Free Trade Agreement and the Uruguay Round – have been a boon for American workers. The accords generate annual gains of \$1300-\$2000 for the average American family of four, while helping to spark greater productivity, dynamism, and job creation throughout the U.S. economy.
- The global trade negotiations launched in Doha, Qatar on November 14 can generate real benefits for American workers.
- The negotiations present a special opportunity to enhance the productivity and competitiveness of the U.S. economy. This, in turn, will help support the expansion of export-supported jobs, higher-wage employment, and increased living standards.
 - The average American family of four could see an annual income gain of nearly \$2,500 from a global reduction in tariffs and trade barriers – the objective of the negotiations – according to a University of Michigan study.
- New trade agreements will open new markets for U.S. exports, thus stimulating the U.S. economy and supporting the creation of even more higher-paying American jobs.
- Trade Promotion Authority is needed to help the United States pursue – and complete – new

trade agreements. Enactment of TPA will send a powerful signal to our trading partners that the United States is committed to advancing free trade.

- Economic growth promotes greater respect for workers' rights and improved labor conditions. The Trade Promotion Authority bill under consideration in the House (H.R. 3005) includes the promotion of worker rights in other countries– consistent with the ILO core labor standards – as a U.S. trade negotiating objective.
- Studies by both the World Bank and the Brookings Institution document the positive links between trade, economic growth and labor standards. For example, the incidence of child labor declines dramatically as per capita income rises.
- H.R. 3005 says that future TPA agreements should ensure that our trading partners do not systematically fail to enforce their labor laws in a manner that affects their trade with the United States.
- H.R. 3005 also includes provisions designed to promote our trading partners' abilities to enforce, and elevate, their labor standards. These provisions call for the U.S. government to provide various forms of capacity building and technical assistance.
- We acknowledge that some American workers – those in sectors adversely impacted by increased foreign competition – will suffer job dislocations from expanded trade. That is why the Administration supports reauthorized and improved Trade Adjustment Assistance (TAA) legislation, to provide those workers with income support and training.